

Planning a Resilient Future Strategy: Multi-country Payroll (MCP) Solutions State of the Market Report 2021

December 2020: Complimentary Abstract / Table of Contents



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- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background of the research

The MCP solutions market is among the most competitive and fast-growing markets in the HRO space. The importance of MCP solutions has further increased post COVID-19, due to the increasing need to ensure compliance and employee wellness and reduce costs through digital transformation of payroll systems. Therefore, providers have upped the ante when it comes to providing next-generation MCP solutions and services to clients. They are engaging in significant capability addition to their platforms in terms of dynamic and configurable dashboards, advanced analytics, automation, cloud implementation, and various advanced employee support features. They are also investing in enhancing their delivery footprint and service scope to keep up with the demands of this fast-growing market.

In this research, we analyze the MCP solution market and understand the key growth drivers, buyer adoption trends, and investments made by providers. The analysis is based on Everest Group's annual RFI process for the calendar year 2020 (refer report [Multi-country Payroll \(MCP\) Solutions PEAK Matrix® Assessment 2020](#) for detailed assessment of providers), interactions with leading MCP solutions providers, client reference checks, and an ongoing analysis of the MCP market.

This report analyzes and draws insights from active MCP solutions deals in 2019 and H12020– across geographies, industries, and job families, including:

- The expected impact of COVID-19 on various stakeholders in the MCP solutions market
- Evolution of the MCP solutions market: market size, growth, expected growth, deal trends across geographies, etc.
- MCP solution characteristics
- MCP solution vendor landscape

Scope of this report:



Geography
Global



Service providers
19



Solutions
Multi-country Payroll

Overview and abbreviated summary of key messages

This report provides a comprehensive coverage of the 2019-2020 global Multi-Country Payroll Outsourcing market and analyzes it across various dimensions such as market overview and key market trends, solution trends, and service provider landscape. It also identifies the key implications of the COVID-19 pandemic for buyers and service providers

Some of the findings in this report, among others, are:

Impact of COVID-19 on MCP solutions

- The pandemic brought with it multiple challenges for organizations as well as service providers. The economic crisis associated with the pandemic and the need to rapidly adapt to a new remote working environment affected organizations' ability to manage their MCP operations
- However, service provider initiatives helped cushion the impact of pandemic on MCP

Market overview

- The MCP solutions market exhibited a YoY growth of 13-15% during the 2018-19 period and stood at US\$2.32-2.42 billion. The growth is likely to pick up post COVID-19 after a slight decline in 2020
- North America and Europe dominate the adoption of MCP solutions, but emerging markets are growing fast and are expected to have been less severely impacted due to COVID-19

Solution characteristics

- Ancillary processes, such as time & attendance and contact center, are experiencing an uptick in demand from buyers and are being increasingly integrated with payroll platforms
- To reduce payroll costs, more and more providers are leveraging offshore locations such as India and Southeast Asia
- The integrated hybrid model and single platform model have emerged as the more popular technology models, given the increased need to consolidate and centralize payroll operations

Overview and abbreviated summary of key messages

Service provider landscape

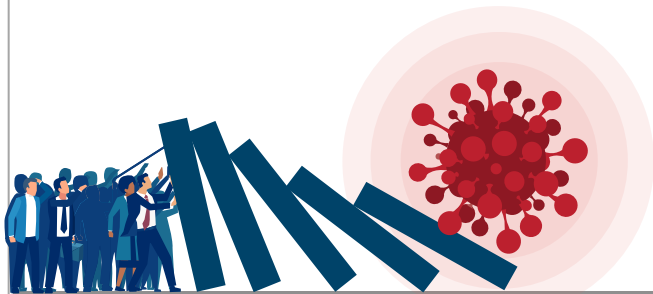
- ADP, Alight Solutions, and TMF Group dominate the MCP solutions market; they cumulatively constitute majority of the total market revenue
- The market share scenario changes by the complexity and/or the size of deals (in terms of number of countries involved / employees covered)

The road ahead

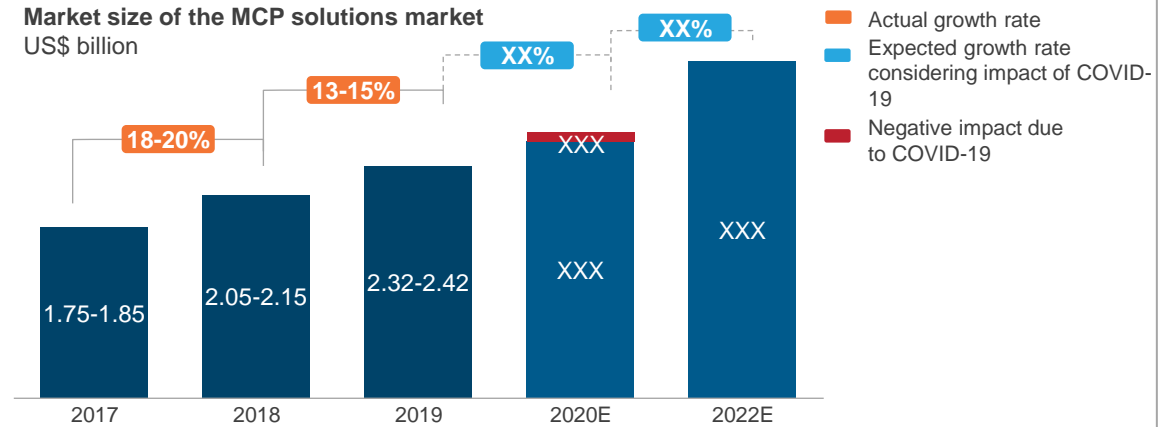
- Due to the impact of COVID-19, there is an increased need to safeguard the payroll function against any such occurrences in the future. This entails infusion of technology in a way that enables process optimization and centralization of MCP
- Enterprises and providers must take corrective actions to close gaps in their existing MCP operations and delivery respectively and chalk out a resilient strategy for the next five years, at least

This study offers four distinct chapters providing a deep dive into key aspects of MCP solutions market; below are four charts to illustrate the depth of the report

Impact of COVID-19 on MCP solutions



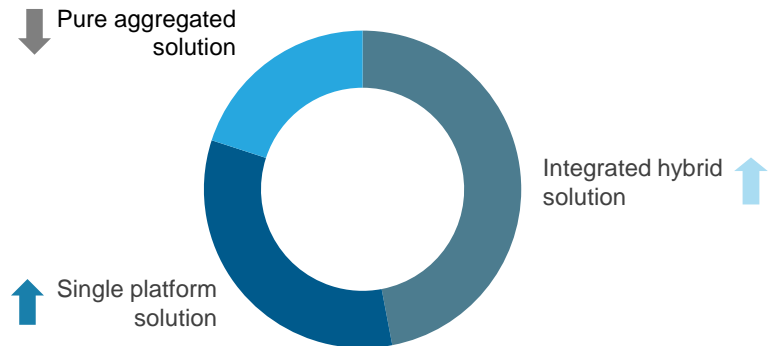
Market overview



Solution characteristics

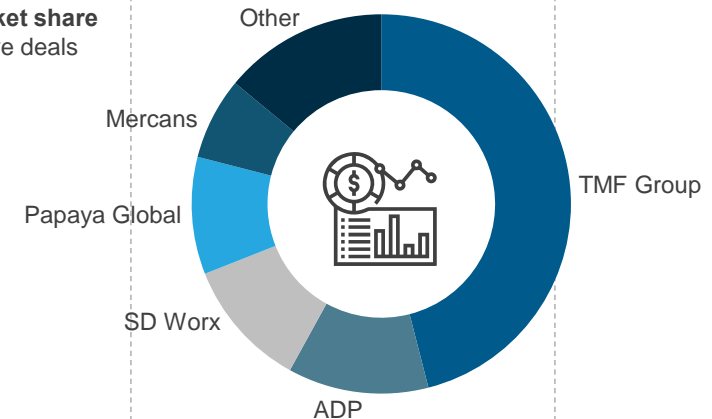
Technology model adoption
2019; Number of active deals

Expected growth in overall % share in 2020
 ↓ Decline
 ↑ High
 ↑ Very high



Service provider landscape

MCP providers' market share
2019; Number of active deals



Research calendar

HRO

■ Published
 ■ Planned
 ■ Current release

Flagship HRO reports

	Release date
Multi-process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2020	January 2020
Rewards and Recognition (Learning Services) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020	April 2020
Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Service Provider Landscape 2020	July 2020
Learning Services PEAK Matrix® Assessment with Service Provider Landscape 2020	June 2020
Learning Services Provider Profile Compendium 2020	August 2020
Digital Adoption Platform (DAP) Products Provider Profile Compendium 2020	August 2020
Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2020	September 2020
Digital Adoption Platform (DAP) – State of the Market Report 2021	October 2020
Multi-country Payroll (MCP) Solutions Provider Profile Compendium 2021	December 2020
Planning a Resilient Future Strategy: Multi-country Payroll (MCP) Solutions State of the Market Report 2021	December 2020
Multi-process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment with Services Provider Landscape 2021	Q1 2021
Multi-process Human Resources Outsourcing (MPHRO) Annual Report 2021	Q1 2021

Thematic HRO reports

	Release date
Learning Function of the Future	December 2019
Digital Adoption Platform (DAP): Accelerating the Journey from Transformation to Adoption	February 2020
Impact of Recession on the Business Process Services (BPS) Industry	March 2020
Price Trends in HRO	September 2020

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